

Major Issues Vital to the Success of a Total Community

Presented by:

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Major Issues Vital to the Success of a Total Community

- Migration and Income
- Property Taxes
- Retail Sales
- Shelby County Debt
- Education and Schools
- Metro/Functional Government
- Action Plan

Migration & Income

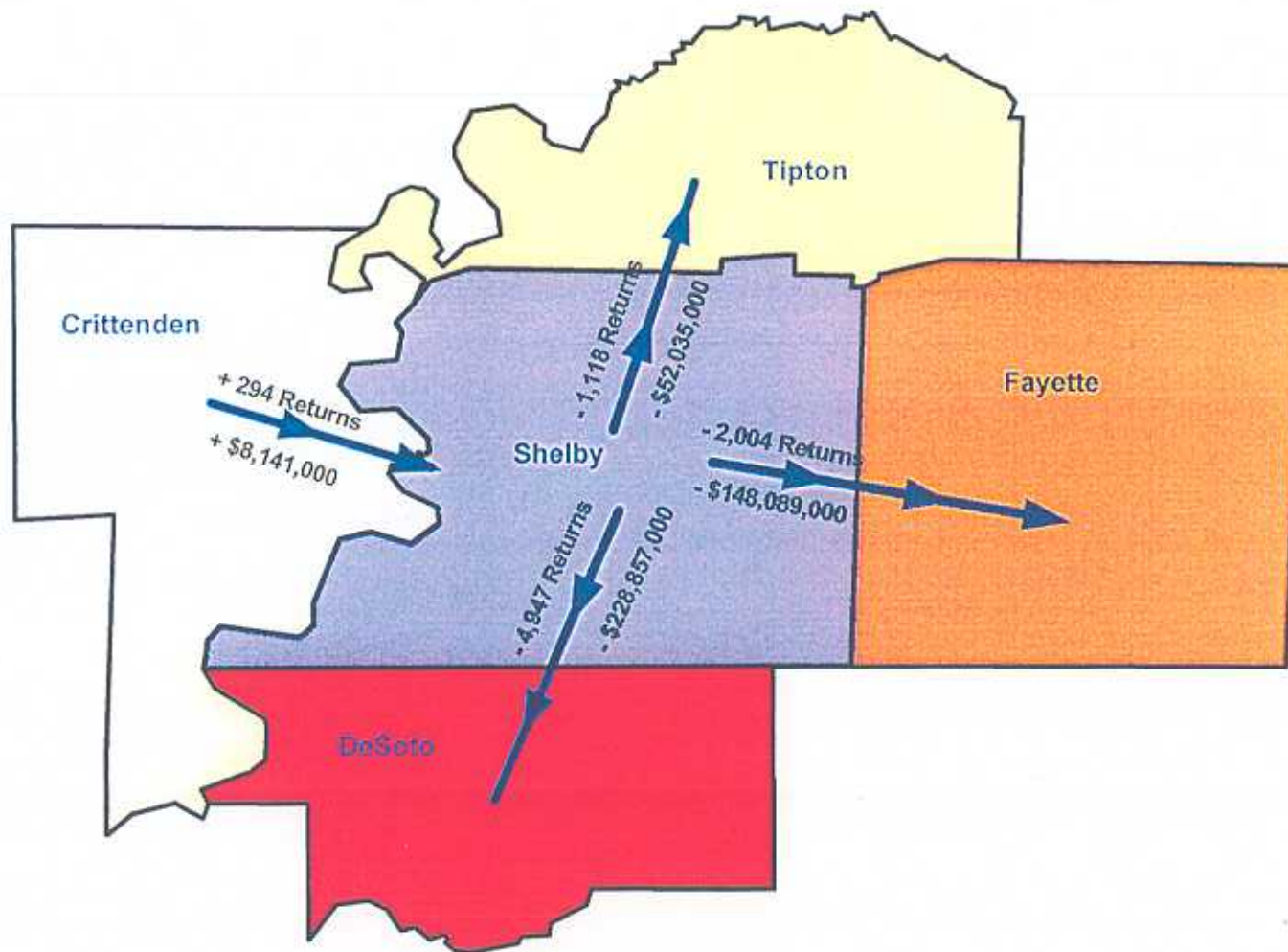
1995-2000

Metro Area	Net Migration	Net Income Change
Atlanta	229,559	\$3.6 billion
Charlotte	89,868	\$2.1 billion
Dallas	156,416	\$1.9 billion
Nashville	37,707	\$851,286,000
Indianapolis	22,220	\$97,160,000
Birmingham	7,036	\$66,977,000
Memphis	5,771	(\$89,711,000)
Louisville	1,664	(\$271,129,000)

MIGRATION TO OTHER REGIONS

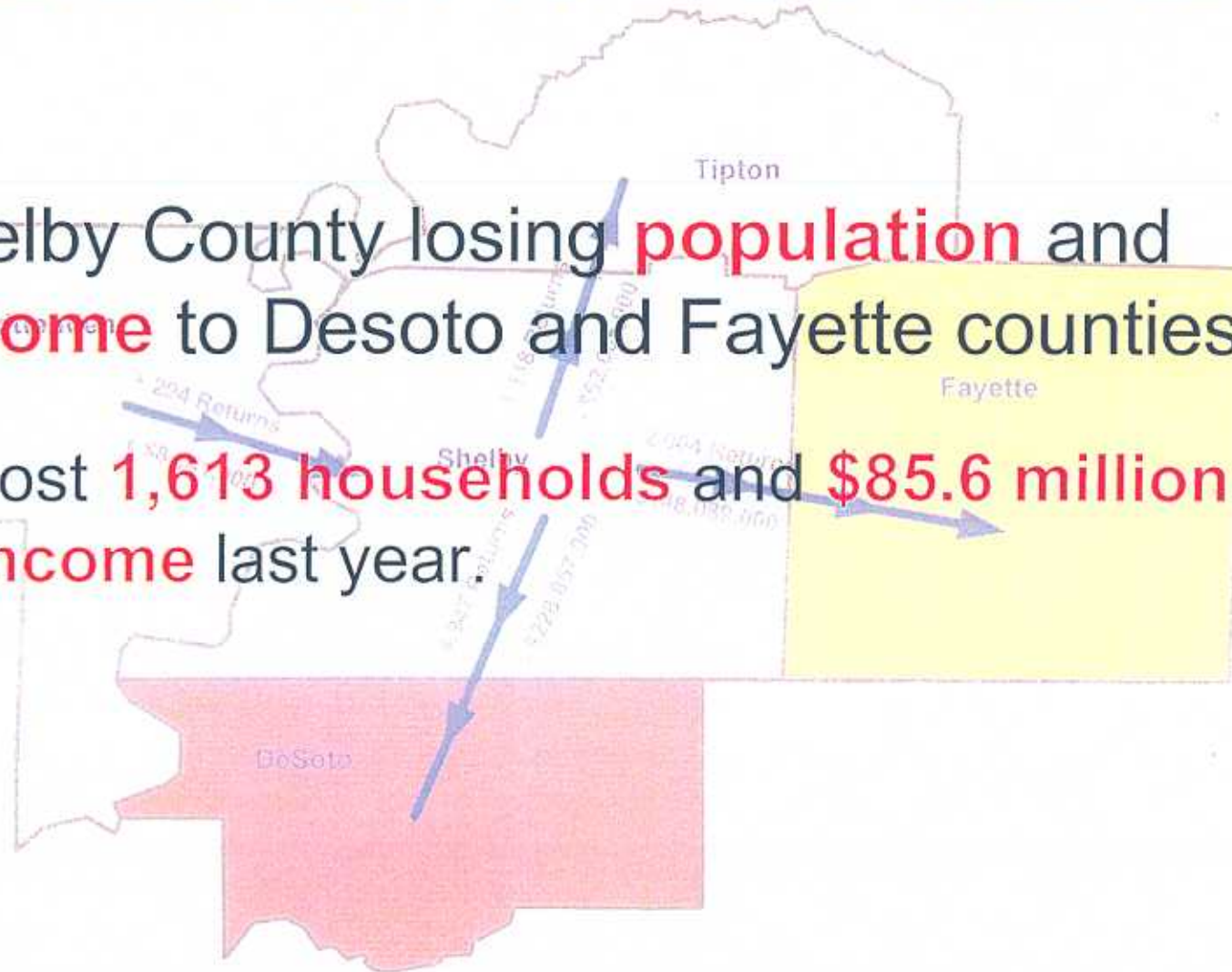
- Small increases in population in past 5 years (Memphis, 5,771; Nashville, 37,707)
- Lost \$89.7 million of net income; Nashville increased \$851.2 million.
- Income loss reduces retail sales; increases dependence upon property taxes.
- Memphis' property tax rate about 53% higher than Nashville's.

MIGRATION WITHIN REGION



MIGRATION WITHIN REGION

- Shelby County losing **population** and **income** to DeSoto and Fayette counties.
 - Lost **1,613 households** and **\$85.6 million in income** last year.



Property Tax Rates: Tennessee Cities

CITY	1998	2000	2003	% CHANGE 1998-2003	STATE RANK
Memphis	5.59	6.91	7.27	30.05	1
Germantown	4.29	5.01	5.79	34.97	3
Knoxville	5.62	6.36	5.66	0.71	4
Collierville	4.29	5.01	5.54	29.14	6
Bartlett	4.11	4.83	5.47	33.09	7
Nashville	4.24	4.24	4.58	8.02	28

PROPERTY TAX RATES

- Four cities in Shelby County are on the list of top 10 cities in Tennessee with the highest property tax rates.
- The County tax rate is the primary reason the city and county's combined tax rates are so high.

Retail Sales Trends (\$ Millions)

County	1998	1999	2000	2001	%Change
Shelby	\$10,599	\$11,291	\$11,531	\$11,537	8.8%
Desoto	\$1,129	\$1,251	\$1,356	\$1,529	35.4%
Crittenden	\$488	\$525	\$693	\$633	29.7%
Tipton	\$255	\$272	\$272	\$267	4.7%
Fayette	\$89	\$99	\$103	\$104	16.8%
Total	\$12,562	\$13,439	\$13,955	\$14,072	12.0%

RETAIL SALES

- The migration of households and income to Desoto and Fayette Counties is an indicator of **retail sales migration to these areas**.
- The decline of major malls and relocation of retailers are evidence of this decline.
- Retail sales taxes are a primary source of education funding.
- Retail sales in **Desoto and Crittenden County increased by more than \$500 million** from 1998 to 2001 **(If this occurred in Shelby County it would amount to \$11.2 million in additional revenue)**.

Shelby County Debt

	<u>School Debt</u>	<u>Total Debt</u>
1990	\$104,845,316	\$ 413,906,086
1992	\$163,133,832	\$ 493,654,562
1994	\$250,376,076	\$ 664,595,175
1996	\$320,483,309	\$ 740,358,967
1998	\$380,772,904	\$ 902,396,669
2000	\$662,434,809	\$1,321,500,000
2002	\$796,658,087	\$1,521,172,362
2003	\$850,187,314	\$1,594,417,362

Shelby County Debt

- Since 1990, **Shelby County debt** has risen at the alarming rate of more than **400%**.
- More importantly, the rate of growth in the **schools component of debt has increased more than 800%** during the same time period, largely due to the ADA funding formula.